GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:4190
ANSWERED ON:19.04.2002
IMPORT OF EDIBLE VANASPATI OIL FROM NEPAL
GAJENDRA SINGH RAJUKHEDI;P.R. KHUTE;PUNNULAL MOHALE;RAJO SINGH;RATILAL KALIDAS VARMA;RAVINDRA KUMAR PANDEY;TARACHAND BHAGORA

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether edible Vanaspati oil is being imported from Nepal;

(b) if so, whether any agreement has been signed between the two countries for import of edible Vanaspati oil and conditions laid down for this purpose;

(c) whether edible oil and edible Vanaspati oil industry of India is under crisis due to import of edible Vanaspati oil from Nepal and these are on the verge of closure; and

(d) if so, the steps being taken by the Government to save domestic edible Vanaspati oil industry?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (S SREENIVASA PRASAD)

(a): Yes, Sir.

(b),(c)&(d): The import of goods manufactured in Nepal into India is regulated by the India- Nepal Treaty of Trade, as revised from time to time. Representations were received from the Indian Vanaspati industry associations against the quantity free and duty free import of vanaspati from Nepal under the India-Nepal Treaty of Trade, which adversely affected the Indian industry.While reviewing the India-Nepal Treaty of Trade, through exchange of letters between Government of India and the Government of Nepal on 2nd March, 2002 steps have been taken to address the concerns of the Indian vanaspati industry. With effect from 6th March, 2002 only a fixed quantity of one lakh MTs per year of vanaspati will be allowed to be imported from Nepal free of customs duties. Imports of vanaspati from Nepal in excess of the fixed quantity of one lakh MTs will be permitted under normal MFN rates of duty, notwithstanding any concession in any other preferential arrangement. For the vanaspati manufactured in Nepal to qualify for duty free entry into the Indian market, it would be essential that, in the finished product, there is a change in the classification, at four digit level of Harmonized Commodities Description and Coding System, different from those in which the third country origin materials used in its manufacture are classified. Besides, vide notification No.24/2002-Customs dated 1.3.2002 issued by the Department of Revenue, Ministry of Finance, SAD is levied @ 4% on import of vanaspati from Nepal.